

Reauthorization of the McKinney-Vento Homeless Assistance Act

Testimony submitted by

Martha R. Burt, Ph.D.¹

Principal Research Associate and Director, Social Services Research Program

Urban Institute

Before the U.S. House of Representatives, Committee on Financial Services

Subcommittee on Housing and Community Opportunity

October 11, 2007

¹ This testimony draws on my own and other researchers' published and unpublished work. The views expressed are mine alone and do not necessarily reflect the views of any organization with which I am affiliated.

Chairman Waters and Members of the Committee:

Thank you for inviting me to share my views relating to various provisions in the reauthorization of the McKinney-Vento Homeless Assistance Act. I have been involved in policy-oriented research on homeless populations and homeless service systems since 1983, when the first Emergency Food and Shelter Program legislation was passed, and also helped shape the definitions of homelessness that govern the Department of Housing and Urban Development (HUD) programs funded through the Act. So it is a pleasure for me to be asked to give testimony on these matters.

I will address my remarks to five of the issues articulated in the letter of invitation: (1) definitions of homelessness, (2) activities to prevent homelessness, (3) advisability of a setaside for permanent supportive housing (PSH), and (4 and 5) the composition of local homeless planning bodies and their relationship to the 10-year planning process. In addressing these matters I also touch on the issue of what works for whom and the issues of accountability, performance outcomes, and incentives.

1. DEFINITIONS OF HOMELESSNESS

I have been involved in the issue of “what is homelessness” since the first Emergency Food and Shelter Program passed in 1983. I have advised HUD on what should be included in a definition of homelessness, have written publications for HUD that describe and explain those definitions (Burt, 1992a; 1992b, 1996a; 1992b) and have been involved in many research projects that collected data to fit those definitions and inform the nation about the nature of homelessness including the only two national studies (Burt and Cohen 1989; Burt et al. 1999; Burt, Aron, and Lee 2001) to precede the Annual Homeless Assessment Report, the first of which was just released this year.

Given my background and experience, I am particularly interested in seeing that the definitions incorporated into S. 1518 as introduced *are retained*, and that the pressure from a coalition of advocacy groups to expand them to include many more people and households are resisted. Two issues concern me: (1) whether HUD’s definition of homelessness should be changed to match

definitions that some other federal departments use, and (2) whether a family in which the parent would meet the criteria for chronic homelessness that apply to single adults should be included in HUD's "chronically homeless" definition.

KEEPING HUD RESOURCES FOCUSED ON LITERALLY HOMELESS PEOPLE

Some advocates are strongly urging Congress to change the homelessness definition in S. 1518 to the one in H.R. 840. The latter covers many people who might more reasonably be described as poorly housed or overcrowded; some may also be precariously housed. Since funding for homelessness has been about the only category of social safety net spending that has increased in recent years, these advocates want some of that money to go to the people they serve—the very large category of very poor households that are having a very difficult time affording housing, and sometimes have to resort to doubled-up and other precarious situations as the result of financial crises.

The part of HUD that should be addressing the needs of poorly and precariously housed people is Public and Assisted Housing, not the Office of Special Needs Assistance Programs. But instead of expanding the supply of rental assistance through this agency, the present administration has been steadily eroding and now explicitly cutting the number of households receiving rental assistance. And this has occurred in the face of a housing market that shows no signs of becoming affordable to people in the two lowest income quintiles and has turned millions of households into "worst case housing needs" by HUD's own estimate. It is impossible to meet the needs of these millions of poorly housed people with the meager \$1.4 billion that HUD has to spend annually on alleviating homelessness. It is impossible with that amount of money even to end the homelessness of the approximately 150,000 to 250,000 chronically homeless people in this country.

All that will happen should advocates of an expansive definition have their way is that HUD will become less able to pursue its current, *effective*, course of working toward eliminating chronic homelessness. Such a dissipation of resources would be bad policy, I believe, because it would stop an effective strategy and substitute the kind of Band-Aid, stop-gap approaches that thoughtful communities have been trying to move away from. I strongly believe that the S. 1518 definitions should stand and that no change in homeless definitions should be accepted unless the

resulting new definitions can be shown to be measurable and capable of being used to document progress in ending homelessness.

THE DEPARTMENT OF EDUCATION “DEFINITION”

The definition used by HUD focuses on literally homeless people (those sleeping in shelters and places not meant for habitation). We have extensive experience with measuring homelessness using this definition and showing changes in the extent and nature of homelessness over time. The alternative definition most commonly proposed by advocates is the one used by the Department of Education. I have had some experience with Department of Education efforts to achieve a shared understanding of who should be included as eligible for homeless services for school-age children and youth. I have also worked with state homeless education coordinators to develop accurate counts of homeless children and youth. The Department of Education’s definition is so loose that states and localities make very different decisions about which children to include. Nor has the Department of Education developed any mechanism for counting children and youth that is sufficiently standardized and accurate across jurisdictions for policy makers to trust it for anything other than to reflect the number of children and youth that the Department of Education’s programs actually serve. This is not a good track record to impose on another federal department. Nor does it meet the criteria I suggested above—no consistent measurement of homelessness is possible using this “definition,” nor can any results obtained be used to reliably track progress in ending homelessness.

INCLUDING CERTAIN FAMILIES IN THE DEFINITION OF CHRONIC HOMELESSNESS

S. 1518 does make one important change in current definitions that I believe the research evidence warrants. HUD’s present definition of chronic homelessness is restricted to single adults, who must be disabled and homeless for one year or longer or had four or more homeless episodes in three years. Yet growing evidence shows that some parents, usually women, meet all the criteria for chronic homelessness except for the fact that they are homeless with at least one of their children. Research on these families reveals that until finding housing and receiving supportive services through permanent supportive housing programs, on average they had been homeless four times, for about 48 months total homeless time, and had significant levels of disability (Nolan et al 2005; Corporation for Supportive Housing and the National Center for

Family Homelessness 2006). Their children had suffered in many ways from their families' highly unsettling experiences, putting them at risk for becoming the next generation of homeless people. I think S. 1518 is correct to expand the definition of "chronic homelessness" to include such families, provided the parent would qualify as chronically homeless if no child were present. The expansion would allow these families to access chronic homelessness resources designed to help people whose situations clearly have not and will not respond to simple shelter stays or even to getting a housing subsidy but not receiving the services they need to help them keep their new housing.

INCLUDING CERTAIN "DOUBLED-UP" PEOPLE IN THE DEFINITION OF HOMELESSNESS

Amendments to the language of the original S. 1518 allow certain people living in "doubled up" situations to be included in the definition of homelessness. Legislative language tries to identify the most precarious of the precariously housed, focusing on frequency of moves within a short period of time. It is important that the legislation be *extremely* careful in its wording on this point, as it will become the basis for saying who will and who will not get services, and whether we will be able to measure and count this new component of the homeless population.

Homelessness researchers have always had the problem of finding "hidden" homeless people; expanding the definition in this way will compound this problem. Even now, there is no *single* methodology that could be used to identify them. Shelter and street counts will not do; only household surveys could cover the relevant population, and using them would impose a severe burden on communities around the country, well beyond what HUD already requires by way of biannual point-in-time counts. Los Angeles County included such a survey in its 2005 and 2007 counts—the only community I know of that does so. Its experiences reveal both the costs and the perils of trying to estimate the extent of hidden homelessness.

In the case of homelessness, where public policy is interested in knowing whether more or fewer people are homeless from year to year, both in general and in response to specific targeted interventions, a definition must help us count people. It must not add an unknown and unknowable component to a population that is already hard enough to enumerate. In my opinion, it would be advisable to *limit* the expanded definition to *people who seek homeless assistance*, as opposed to the many people in doubled-up or couch-surfing situations who do not.

Among people seeking services, one could reasonably apply criteria of frequency of moves and instability of the situation.

Another circumstance in which people should be counted as homeless is when a clearly homeless (by HUD's present definition) household approaches a homeless assistance agency and the agency is able to help, but not for a few days, until a program space becomes open. A relative or friend can be persuaded to take the household in for those few days, but not for longer. This is a situation commonly reported by homeless assistance agencies in rural areas (Burt 1995). Many homeless assistance agencies feel they must then deny the household any help because they are now "housed," believing this is HUD's interpretation of literal homelessness, as indeed has been held by many HUD regional offices. The reauthorizing legislation would be justified in holding that in such cases the household's homeless status should be judged on the basis of its circumstances at the time of its first appeal to the agency.

2. PREVENTION

One can use a lot of resources pursuing prevention without having much assurance that one has prevented anything (Burt, Pearson, and Montgomery 2006). This is a primary reason why Congress has provided so few resources in recent decades for homelessness prevention. The key to cost-effective prevention is targeting—being *very* sure that the people who receive homelessness prevention assistance were *extremely* likely to become homeless were they not to receive the assistance. Controlled experiments are one way to ensure a prevention intervention is truly preventing something. Over-time tracking of the events being prevented is another. If one assists homeless and about-to-be-homeless families in a new way and the result is that, over time, the incidence of newly homeless families decreases as does the number of families in shelters, one can reasonably infer that the intervention is preventing homelessness. Intervention types that can demonstrate this type of over-time result are worth investing McKinney-Vento resources in.

HOMELESSNESS PREVENTION FOR FAMILIES

A few communities have had great success with a combination of prevention at the point of housing loss and rapid rehousing strategies for families that do need to be sheltered. Cases in point are Columbus, Ohio (46 percent reduction over seven years), Hennepin County, Minnesota

(43 percent reduction over four years), and Westchester County, New York (57 percent reduction over four years). Note that all three communities *use a centralized intake process* to handle families seeking assistance to avoid homelessness or to obtain shelter. At centralized intake, a triage process takes place. Families must meet clear criteria of need for prevention assistance, and even more stringent ones to receive shelter. Providers must agree to work with families only within the guidelines established by the overall system. These three communities *devote substantial state and local resources* to their family homelessness prevention efforts. The fact that public monies are involved increases the need for accountability and gives the centralized intake agency a certain amount of leverage over providers. Note also that these communities pay attention to impact—they follow families and assess the extent to which families receiving prevention interventions avoid future homelessness. Even better would be if they had evidence from control groups that the families would indeed have become homeless without the interventions, but even these outstanding communities do not have this type of evidence, which would be the most solid evidence possible that true prevention occurred.

These are good models *if* communities and their homeless assistance providers are willing to go along with centralized intake and centralized decisions about which families should receive which services, and *if* the community has the resources to put into prevention and rapid exit strategies. I also know of communities with centralized family intake that have not reduced family homelessness, either because they do not have the needed resources, they do not have the cooperation of family homeless assistance providers, or both. And I know of far more communities without any centralized, organized approach to family homelessness that are even less likely to be able to mount effective prevention strategies for families. The committee should be under no illusions that the availability of prevention funding through the McKinney-Vento program will automatically cause communities to organize themselves into structures that will work to reduce family homelessness. It would be far easier for communities to use these new resources the way they use Emergency Food and Shelter Grants through FEMA, doling them out to a wide range of agencies, exercising little control over which families receive help, and at the end of the day having no way to measure whether or not family homelessness has been reduced. Therefore, I would advise that continued receipt of prevention resources under the Act be tied to evidence from community-wide surveys or other mechanisms that are able to demonstrate the impact of prevention resources.

Other useful approaches to preventing homelessness among families require the active participation of mainstream agencies, particularly welfare and child welfare agencies. These agencies need to become much more attuned to housing stability and instability among their client families, including altering their databases and client records to keep track of housing situations and see that they are regularly updated. Housing instability and homelessness are among the most common situations prompting Child Protective Services to remove a child from the home; sufficient warning and prevention resources could avert not only homelessness but family separation. Homelessness prevention activities of this type are excellent ways to bring local mainstream agencies into the process of ending homelessness and raise their awareness of how housing loss negatively affects the families and children they are trying to assist.

HOMELESSNESS PREVENTION FOR SINGLE ADULTS

In general, communities are even less organized when it comes to serving homeless single adults than they are in serving homeless or at-risk families. However, prevention efforts for single adults are facilitated by concentrating on people in institutions such as hospitals, treatment programs, jails, and prisons who were homeless when they entered and/or are almost certainly going to be homeless when they leave. Many communities are beginning to realize the value of targeting people leaving institutions for homelessness prevention, whether the homelessness prevented is primary (the person has never been homeless before) or secondary (the person had experienced some homelessness and would be more likely to become chronically homeless unless assistance is provided). The institutions from which people exit to homelessness have the great advantage of being able to provide a good deal of information about risk of homelessness upon institutional release, and for that reason make targeting of prevention resources very effective. The Act should encourage communities to undertake this type of homelessness prevention, and reward them for successful efforts. As with the homelessness prevention described for families by involving the welfare and child welfare agencies, homelessness prevention aimed at single adults leaving institutions offers great opportunities for involving mainstream corrections, law enforcement, mental health, substance abuse, and general health care agencies, for whom the payoffs in reduced crisis service use may more than offset the cost of providing permanent supportive housing for the people who make excessive use of these services. Quite a number of these agencies are already doing their own studies focused on the

advantages to them of assuring that releasees have stable housing and the supportive services needed to keep it.

3. SETASIDE FOR PERMANENT SUPPORTIVE HOUSING

The 30 percent set-aside for permanent supportive housing that has been in effect for McKinney-Vento homeless assistance since 1999 has had significant payoffs in the form of homelessness reduction, and should be continued. I understand the committee has heard testimony suggesting that these set-asides and the permanent supportive housing they create have not helped to reduce homelessness. It is hard to believe anyone could say that and mean it, as community after community that has made significant investments in permanent supportive housing coupled with mechanisms to see that the housing goes to chronically homeless street dwellers and shelter users reports significant reductions in street homelessness, chronic homelessness, and even homelessness overall. Examples include Denver, Portland, Oregon, New York City and other cities. In Denver, chronic homelessness is down 36 percent over two years, during which 354 units of Denver's 10-year plan goal of 942 units of permanent supportive housing were completed and 340 chronically homeless people moved in. In Portland, chronic homelessness is down a remarkable 70 percent over two years, from 1,284 to 386 people. Unsheltered homelessness is down 39 percent and overall homelessness is down 13 percent. Portland moved 1,039 chronically homeless individuals and 717 homeless families into housing through several strategies coordinated through its 10-year plan, of which permanent supportive housing is a major component.² Quincy, Massachusetts reports a drop of 45 percent in street homelessness over the past three years thanks to development of permanent supportive housing, and recently *closed an emergency shelter* because it was *not needed any longer*. Even New York City saw its street population drop by a few percentage points in the past two years, as more permanent supportive housing came on line and efforts to move long-term stayers out of shelters began to pay off. Over all, the federal Interagency Council on Homelessness reports that 32 cities across the country are experiencing the first reductions in street and chronic homelessness in more than 20 years, thanks to development of permanent supportive housing and mechanisms to be sure that chronically homeless people have access to housing.

² See www.naeh.org, "Snapshots," for these and other examples.

It's Not All Federal Dollars

Historically, federal McKinney-Vento dollars were the primary levers for creating transitional and permanent supportive housing programs to assist homeless people for whom emergency shelter was not sufficient to help them leave homelessness. But McKinney-Vento funding is no longer the primary contributor to permanent supportive housing, and state, local, and private resources in combination exceed the total federal contribution in many communities (counting block grant resources such as the Community Development Block Grant and HOME as “local” since local decision-makers control how they are spent and can easily choose not to spend them on homeless programs).

Table 1: Who Funds Permanent Supportive Housing? Funding sources for 109 permanent supportive housing projects open and operating in 2004 in six communities						
	\$, in millions	Percentage distribution by type				
		Federal government	State government	Local (city, county, “local”) government	Private sources	
Total	\$644.2	40%	15%	35%	11%	100%
Capital	\$562.2	39%	15%	37%	9%	100%
Operating	\$ 50.7	44%	10%	17%	30%	100%
Services	\$ 31.3	42%	26%	26%	6%	100%
<i>Source:</i> Martha R. Burt and Jacquelyn Anderson. (2006). Taking Health Care Home: Baseline Report on PSH Tenants, Programs, Policies, and Funding. Chapter 3, Table 3.2. Oakland, CA: Corporation for Supportive Housing. Available at http://www.csh.org .						

A recent study (Burt 2005) of the financing for 109 permanent supportive housing projects in six communities (Los Angeles County, Seattle/King County, Spokane city and county, Portland/Multnomah County, and the states of Maine and Kentucky) found that federal resources contributed around 40 percent of the funding in all categories—capital, operating, and service expenses (table 1). Further, McKinney-Vento resources (the combination of Supportive Housing Program and Shelter Plus Care funds) accounted for the largest share of funding in only one category, operating funds, to which they contributed 32 percent to operating resources (13 percent from SHP and 19 percent from Shelter Plus Care). McKinney-Vento funds contributed only 2 percent of capital funds (Low Income Housing Tax Credits were the largest source, at 33 percent). On the service funding front, McKinney-Vento funding provided 24 percent of the resources, easily topped by state and local mental health agency spending, which accounted for

39 percent of spending for supportive services. So McKinney-Vento programs have stimulated additional funding streams in some communities that are able to support the development of new PSH independent of McKinney-Vento. McKinney-Vento resources nevertheless remain essential to the support of existing programs in every community and to fund new programs in the many communities that still do not have significant state or local investment.

THE VALUE OF IDENTIFYING SUBGROUPS FOR WHICH WE KNOW WHAT WORKS

The point of the permanent supportive housing set-aside is that it targets a particular subgroup among homeless people—those who are the least likely to be able to leave homelessness on their own, namely the chronically homeless and those with multiple disabling conditions. Ample evidence points to this group’s disproportionate use of the scarce resources of the homeless assistance network as well as the excessive use of crisis public services. Research has given us good ideas of this subgroup’s size, of the effectiveness of specific interventions, and of the relative costs and payoffs of providing the interventions. The results just described, and others, tell the story. It would be foolhardy to undo the Act’s funding commitment to such a well-documented successful strategy.

By a similar token, the more we are able to identify relatively homogeneous subgroups among homeless people, the more likely we are to be able to design approaches that will help prevent or end their homelessness. Claims that we cannot or should not differentiate among homeless people or seek to apply specific strategies to specific subpopulations for which they are indicated belie all the evidence. Approaches to serving homeless families have benefited from differentiation just as have approaches to assisting single adults. The centralized homelessness prevention/rapid rehousing strategies described above rely on a triage mechanism that separates homeless families according to what they are likely to need to leave homelessness. There is no point in maintaining that all need the same things—to do so is to invite inefficiency and wasted resources. It is clear from recent research that a relatively small proportion of families need a great deal of long-term help to leave homelessness and stay housed. The large majority need far less, but we are not yet fully able to identify those who need only temporary help (e.g., with rent or utility arrearages), those who need a permanent rent subsidy but no services, and those who need both subsidy and services. The research agenda detailed in the reauthorizing legislation will help us make these determinations.

4 AND 5. COMPOSITION AND AUTHORITY OF LOCAL HOMELESS PLANNING BODIES AND RELATIONSHIP TO 10-YEAR PLANS

The invitation to testify at this hearing included questions about the extent to which the reauthorizing legislation should prescribe the composition and decision-making structure of local homeless planning bodies, and also asked how the legislation should address or relate to 10-year planning processes, which exist at some level in about half of today's Continuum of Care communities.

I have very strong feelings about legislating the composition and decision-making structure of local homeless planning bodies—**you should not do it!** By all means, specify what you want these bodies to be able to do, and the decisions you want them to be able to take. Describe the evidence you will take as indicating that the bodies are indeed empowered to do the type of planning and especially implementation that you believe are needed to end homelessness in a community. And set up the grant renewal structure to reward community-wide performance improvements based on the evidence. But then leave it up to the community to determine how it will structure itself to comply with legislative specifications and whom it will involve in the process. Every community will have its leaders and champions, but they will be in unpredictable places. Nothing kills change efforts faster than lodging them in a hostile agency, or under the control of someone without passion, commitment, and energy. Nothing guarantees that that will happen more than trying to specify where a change effort must be located and who should participate in it. Nothing stimulates change more than having the right people at the table, the right person in charge, and the right attitudes toward change in the interest of meeting people's needs, be that for ending homelessness or anything else. It is impossible for me to relate, in the short space available to me, the number of times I have seen change efforts die for being misplaced or badly led. This is one instance in which it is most important to let the community itself decide how it will carry out the job that the legislation assigns to it.

As to whether the legislation should specify the relationship between the collaborative applicant and any 10-year planning process underway that affects the same communities, such a relationship should certainly be encouraged. However, specifying its shape or nature is probably impossible to do and therefore unwise to try. It is important to remember that not all 10-year plans are created equal. Of the more than 300 communities that have committed to develop such

plans, only about a third have completed them, and far fewer than these are truly committed to implementation. Many plans look like statements of abstract principles rather than thoughtful presentations of goals and timetables, and few have any goals or timetables in sight, let alone the resources and structures that would assure implementation. Many communities that will be applying to HUD will have no 10-year plans of their own, but will still be covered by a state 10-year plan, which may or may not be concrete enough for a local community to relate to. I have been in communities that have completely merged the two processes, to great effect. I have been in other communities in which the 10-year plan, the Continuum of Care process, and other service integration processes operate as distinct activities but are still highly cooperative and mutually beneficial. These are the circumstances you would want to encourage through the reauthorizing legislation. The approach should be to use each year's collaborative application to push the idea of goals, timetables, and active implementation of approaches designed to end homelessness, whether or not a 10-year plan exists. Then leave it up to each community to decide what to do, but make it clear that applications showing a clear plan and the steady accomplishment over the years of relevant steps toward the ultimate goal will be viewed with great favor.

SUMMARY

To recap the points I've made

So, my bottom line is, do not put specific requirements for composition or relationships in the legislation. Put in goals and expectations, and let local communities decide how they are going to reach them.

References

- Burt, M.R. 2005. Taking Health Care Home: Baseline Report on PSH Tenants, Programs, Policies, and Funding. Oakland, CA: Corporation for Supportive Housing.
- Burt, M.R. 1996a. *Practical Methods for Counting Homeless People: A Manual for State and Local Jurisdictions (2nd Edition)*. Washington, D.C.: Urban Institute.
- Burt, M.R. 1996b. Homelessness: Definitions and Counts. Chapter 2 in J. Baumohl (Ed.), *Homelessness in America: A Reference Book*. Phoenix, AZ: Oryx Press.
- Burt, M.R. Findings and Implications of RECD's Rural Homelessness Conferences. Washington, D.C., August 1995. Report prepared for RECD, USDA.
- Burt, M.R. 1992a. *Practical Methods for Counting Homeless People: A Manual for State and Local Jurisdictions*. Washington, D.C.: Interagency Council on the Homeless and the Department of Housing and Urban Development.
- Burt, M.R. 1992b. The Importance of Definitions in Research on the Homeless. American Statistical Association, 1992 *Proceedings of the Social Statistics Section*, 79-86. Alexandria, VA: American Statistical Association.
- Burt, M.R. and B.E. Cohen. 1989. *America's Homeless: Numbers, Characteristics, and Programs that Serve Them*. Washington, D.C.: The Urban Institute Press.
- Burt, M.R., Aron, L.Y., and Lee, E. 2001. *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington, DC: Urban Institute Press.
- Burt, M.R., Pearson, C., & Montgomery, A.E. 2007. Community-Wide Strategies for Preventing Homelessness: Recent Evidence. *Journal of Primary Prevention*, 28(3-4), 213-228.
- M.R. Burt, Pearson, C., and Montgomery, A.E. 2005. *Strategies for Preventing Homelessness*. Washington, DC: Department of Housing and Urban Development.
- Burt, M.R., Aron, L.Y., Douglas, T., Valente, J., Lee, E., and Iwen, B. 1999. *Homelessness and Programs and the People They Serve. Summary and Technical Reports*. Findings of the 1996 National Survey of Homeless Assistance Providers and Clients. Prepared for the Interagency Council on the Homeless and 12 federal sponsors.
- Corporation for Supportive Housing and the National Center on Family Homelessness. 2006. The role of permanent supportive housing in addressing family homelessness. Oakland, CA: Corporation for Supportive Housing. Accessed October 9, 2007 at www.csh.org/documents/doclib/psh.famhomeless.pdf.

Nolan, C., ten Broeke, C., Magee, M., and Burt, M.R. 2005. The Family Permanent Supportive Housing Initiative: Family History and Experiences in Supportive Housing. Washington, DC: The Urban Institute.